



DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Rural Energy Savings Program: Measurement, Verification, Training and Technical Assistance

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of comment solicitation.

SUMMARY: Congress recently authorized the implementation of the Rural Energy Savings Program (RESP) in section 6407 of subtitle E of title VI of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 424). The purpose of RESP is to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures. The Rural Utilities Service (RUS or Agency) seeks public comments on carrying out paragraph (e) of section 6407 requiring RUS to establish a plan for measurement and verification of energy efficiency measures implemented and funded pursuant to RESP. Public comments are also invited on the additional requirement under paragraph (e) requiring RUS to develop a program to provide technical assistance and training to the employees of eligible entities carrying out the provisions of RESP. The public input requested on both these required purposes under the RESP Program will

allow all affected stakeholders the opportunity to contribute to the development of agency procedures for implementing this statute.

DATES: Written comments must be received by RUS no later than [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit comments, identified by docket number RUS-16-ELECTRIC-0028, by any of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

Postal Mail/Commercial Delivery/Hand Delivery: Thomas P. Dickson, Acting Director, Program Development and Regulatory Analysis, USDA Rural Development, 1400 Independence Avenue, STOP 1522, Room 5159, Washington, D.C. 20250-1522.

RUS will post all comments received without change, including any personal information that is included with the comment, on <http://www.regulations.gov>. Comments will be available for inspection online at <http://www.regulations.gov> and at the address listed above between 8:00 a.m. and 4:30 p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Titilayo Ogunyale, Senior Advisor, Office of the Administrator, Rural Utilities Service, Rural Development, United States Department of Agriculture, 1400 Independence Avenue, SW, STOP 1510, Room 5136-S, Washington DC 20250-1510; Telephone: (202) 720-0736; Email: Titilayo.Ogunyale@wdc.usda.gov.

SUPPLEMENTARY INFORMATION:

Background

RUS provides long-term financing for the purpose of furnishing and improving electric service in rural areas. Eligible purposes for RUS loans also include assisting electric borrowers to implement demand-side management, energy efficiency and energy conservation programs, and on-grid and off-grid renewable energy systems. The Agency's traditional lending program provides RUS loans to eligible electric system borrowers. RESP differs from the Agency's traditional lending program in that it focuses on providing loans to eligible entities that agree to provide consumer loans to qualified consumers for energy efficiency measures which are undertaken on the consumer side of the meter.

Current RUS borrowers are traditionally well-established utilities, most frequently rural electric cooperatives with a history of participation in the RUS program. Entities eligible to borrow from RUS and relend to consumers pursuant to RESP are not restricted to electric utilities per se; entities owned or controlled by current or former RUS borrowers and those entities described in 7 CFR 1710.10 may also participate in the RESP program.

For purposes of this Notice, the statute contemplates that the Secretary, acting through RUS, will (1) establish a plan for the measurement and verification of the energy efficiency activities that are undertaken pursuant to the plans implemented with RUS

funds, and (2) develop a program to provide technical assistance and training to the employees of eligible entities to carry out the responsibilities associated with implementing the required implementation plans for the use of loan funds.

RUS is currently determining the best method for carrying out the RESP imposed requirement for establishing such an implementation plan and for crafting the related statement of work for the potential outside contractor that will be engaged to provide support services in this endeavor. RUS is also considering how best to meet its responsibilities under the statute to develop a program to provide technical assistance and training to the employees of eligible entities.

Request for Comment

Stakeholder input is vital to ensure that the implementation of the RESP program measurement and verification measures and related training will be valuable, cost effective and achieve the desired results. The Agency recognizes there is a risk that the cost of measurement and verification activities exceed the savings which are intended and expected from the energy efficiency measures. Also, the Agency notes that there are a number of quality training programs already in existence and available in the industry. Accordingly, RUS poses the following questions and discussion items to guide stakeholder comments. RUS also welcomes pertinent comments that are beyond the scope of the following questions.

Measurement of the results of energy efficiency investments

There is no standard set of energy efficiency measures that RUS proposes to finance with RESP funds. Each entity that applies for a RESP loan will have its own list of energy efficiency measures and related implementation plan. The borrower is also required to measure and verify the results it achieves. The agency requests responses and comments as follows:

1. Is it reasonable to require that the borrower collect data before and after implementation of the energy efficiency measures as part of the measurement and verification of cost savings, or, in the alternative, can a borrower rely on “deemed savings” for certain measures?
2. If “deemed savings” calculations are determined to be reasonable, where can independent resources for this information be found?

Best entity to measure the results of energy efficiency investments

1. Is it reasonable for the Agency to rely on representations made by the borrower regarding the results it achieves?
2. What parameters should the Agency impose on self-measurement and verification activities included in a borrower’s implementation plan?

Form of training program to be developed and funded as part of the RESP program

RUS has observed that there are a myriad of programs currently available in the market to train employees of eligible entities to carry out measurement and verification functions. RUS invites comments on the best approach for RUS to take to maximize the training results achieved with limited funds.

1. RUS is considering establishing a “tuition reimbursement” program whereby an outside contractor administers a tuition reimbursement fund to reimburse eligible entities for the costs incurred from sending an employee to a course provided by a qualified vendor as part of a recognized certification program. Please comment on how best to structure such a “tuition reimbursement program.”
2. RUS is contemplating setting up a circuit rider program to provide training and technical assistance on location for energy efficiency measures. The intent is to follow the model of a comparable circuit rider program funded by RUS as part of the agency’s authorized activities in the water program. In the circuit rider program, experts visit rural water systems around the country and offer training to employees as well as technical assistance. These visits can be requested by a client in response to special needs or are part of a regular schedule that is worked out in advance. Please comment on the pros and cons of taking this approach.

Needs specific to manufactured housing

Many traditional RUS electric utility borrowers have an above average number of customers residing in mobile homes or prefabricated dwellings. These dwellings present

unique challenges in implementing energy efficiency measures. The agency requests responses and comments on the following questions:

1. What program requirements are recommended for new manufactured housing? Is it reasonable for a Borrower to undertake a rebate program for new buyers agreeing to purchase new homes with certain upgrades? How will a borrower best verify that the upgrades are installed and producing the results as marketed?
2. With respect to pre-existing mobile homes, what measurements can be taken to produce the most cost effective energy savings for the consumer?
3. A disproportionate number of the occupants of manufactured housing are renters. The owners may not necessarily have a financial incentive to invest in more efficient heating and cooling systems, causing the occupant to suffer very high energy bills. Are there programs which have successfully addressed this problem and what are the attributes of these programs?
4. Is there a way to best incorporate consumer financing of energy efficiency measures with pre-paid billing programs?

The scope of RUS efforts

There are limited funds for implementing the provision of RESP that contemplates RUS entering into one or more contracts for measurement, verification, training or technical assistance. As an initial matter, these funds are not expected to exceed ten percent of

available appropriations. As part of the Agency's initial implementation of this portion of the statute, we anticipate that the scope of work cannot extend to all entities and all geographic areas needing these services. Accordingly, comments are invited on how to tailor the scope of the Agency's initial pilot implementation of this requirement in light of the limited funding.

Dated: May 17, 2016.

Brandon McBride

Administrator, Rural Utilities Service

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